

Education and Workforce Development Cabinet

Kentucky's jobless rate drops from February to March

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Editor's Note: Preliminary March and revised February labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate fell from 10.4 percent in February 2011 to 10.2 percent in March, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary March 2011 jobless rate dropped .6 percentage point below the 10.8 percent rate recorded in March 2010 for the state. The 10.2 percent rate recorded in March 2011 is the lowest rate since November 2010 when it was 10.2 percent.

"Kentucky's economy showed signs of improvement in March 2011 as the unemployment rate dropped to 10.2 percent. Nonfarm employment grew for the third month in a row and reached its highest level since January 2009. Eleven consecutive months of year-over-year job growth provide additional evidence of economic recovery," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate decreased from 8.9 percent in February 2011 to 8.8 percent in March 2011, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Seven of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment

increase in March 2011, while three decreased and one remained the same, according to OET. An increase of 11,600 jobs in March 2011 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,795,100. Kentucky's nonfarm employment has grown by 35,100 workers since March 2010.

According to the seasonally adjusted employment data, Kentucky's leisure and hospitality sector climbed by 5,100 jobs in March 2011. Since March 2010, the sector has surged by 11,800 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services, and drinking places industries.

"The year-over-year expansion primarily occurred at accommodations and food services businesses reflecting the openings of a hotel, beverage services establishments and countless restaurants," said Detzel.

The state's trade, transportation and utilities sector grew by 2,100 jobs in March 2011. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities. It is the largest sector in Kentucky with 361,100 employees. Since March 2010, the number of jobs in this sector has increased by 1,200.

Construction sector jobs increased by 1,900 in March 2011. Since March 2010, employment in the construction sector has dropped by 2,200 jobs.

"This marks the third consecutive month of rising employment in the construction sector. As the economy recovers, businesses are expanding and entrepreneurs are building facilities to house new companies," said Detzel.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations; and civic and professional organizations, rose by 1,600 positions in March 2011. This sector had 3,300 more positions in March 2011 than March 2010.

The government sector, which includes public education, public administration agencies and state-owned hospitals, added 1,000

jobs in March 2011. The sector has 2,800 more jobs than in March 2010.

The educational and health services sector reported 900 more workers in March 2011. The sector has surged by 3,900 workers since March 2010. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Employment in the mining and logging sector increased by 800 in March 2011. The sector has gained 1,500 jobs since March 2010.

The information sector maintained steady employment from February 2011 to March 2011. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 300 positions since March 2010.

"The shift away from mainstream media and news publications, a telecommunications company closing and layoffs at major newspapers factored into the year-over-year employment declines," said Detzel.

The professional and business services sector declined by 1,300 positions in March 2011. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last March, jobs in the sector have jumped by 8,800.

Kentucky's manufacturing sector decreased by 300 jobs in March 2011. Since March 2010, employment in the manufacturing sector has climbed by 5,500 positions.

"The year-over-year job expansion predominantly occurred in the durable goods subsector. As the economy recovers and consumers regain confidence, the manufacturing sector is ramping up production as businesses restock inventories to meet the resurgence in demand for products," Detzel said.

The financial activities sector dropped by 200 jobs in March 2011. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has 1,200 fewer positions than in March 2010.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for March 2011 was 1,895,976 on a seasonally adjusted basis. This figure is up 11,062 from the 1,884,914 employed in February 2011, and up 34,649 from the 1,861,327 employed in March 2010.

The monthly estimate of the number of unemployed Kentuckians for March 2011 was 214,282, down 3,980 from the 218,262 Kentuckians unemployed in February 2011, and down 10,213 from the 224,495 unemployed in March 2010.

The monthly estimate of the number of Kentuckians in the civilian labor force for March 2011 was 2,110,258. This figure is up 7,082 from the 2,103,176 recorded in February 2011, and up 24,436 from the 2,085,822 recorded in March 2010.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.